UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BERTRAM HIRSCH and IGOR ROMANOV, on behalf of themselves and all others similarly situated, Plaintiffs, vs. CITIBANK, N.A., Defendant.	Case No. 12 Civ. 1124 (DAB) ECF Case

DECLARATION OF IGOR ROMANOV IN SUPPORT OF PLAINTIFFS' OPPOSITION TO DEFENDANT'S MOTION TO COMPEL ARBITRATION AND STAY THE ACTION

I, Igor Romanov, declare as follows:

1. I have personal knowledge of the following facts.

2. In late 2010, Citibank offered me a bonus of 40,000 American Airline miles if I opened up an account with an initial deposit of $25,000 at Citibank and used my debit card for a certain amount of times thereafter.

3. On October 25, 2010, I accepted Citibank's offer and opened up an account at Citibank, deposited a minimum of $25,000, used my debit card for the required amount of times, and soon thereafter, received my 40,000 American Airline miles.

4. In early 2012, I received a 1099 form from Citibank stating that I must report $1,000 as additional income on my tax return, for the 40,000 American Airline miles I received. This amounts to 2.5 cents per mile.

5. I was never informed that I would have to pay income tax on the American Airline miles or that the income was based on a grossly overstated value of 2.5 cents per mile.

6. If Citibank adequately disclosed that I would have had to report $1,000 in additional income for tax purposes as a result of receiving the 40,000 American Airline miles, I would have never opened up a bank account with Citibank.

7. Immediately after receiving the 1099 form, I complained to Citibank about the 2.5 per cent valuation. I offered to sell airline miles back to Citibank and, alternatively, requested that Citibank help him pay the taxes on the airline miles. Citibank declined to help me and stated that there was nothing that Citibank could do about it.

8. In January 2012, I filed a small claims lawsuit against Citibank in Los Angeles Superior Court, which Citibank subsequently removed to the United States District Court, Central District of California. Citibank argued that my claim belongs in federal court because it depends on the resolution of a substantial question of federal law – i.e., whether Citibank wrongfully issued me an IRS Form 1099. Citibank claimed that the requirement to issue a form 1099 is mandated by the Internal Revenue Code and associated Treasury Regulations, and that failure to issue a 1099 form may result in penalties under I.R.C. § 6721.

9. When I opened up my Citibank account, I was not informed by Citibank that any disputes related to the account were subject to an arbitration agreement, nor did Citibank provide me with a copy of any arbitration agreement.

10. In addition, when I opened the account, I could not negotiate any aspect of my relationship with Citibank, and I was not given an opportunity to negotiate the terms of my relationship with Citibank.

11. Similarly, there was no discussion about whether I was agreeing to a class action waiver or reduction in any of my rights under the law.

12. I never received the Citibank Client Manual that Citibank refers to in it motion to compel arbitration.

13. In opening my account, I was not aware of entering into a contract requiring arbitration. I did not knowingly agree to any arbitration terms.

14. Citibank did not provide me with a copy of the American Arbitration Association rules or JAMS rules, and did not inform me of the specific fees that I would be required to pay to arbitrate any claims.

15. I would have never knowingly agreed to a requirement that I pay any arbitration fees, when the arbitration agreement requires me to give up many of my legal rights.

16. I would have never knowingly agreed to the shortened statute of limitations contained in the Citibank Client Manual.

17. If I am required to pay for a tax expert to show that Citibank was wrong in issuing me a 1099 form, I will not continue the pursuit of an individual action or initiate arbitration because it will not be worth it for me as the cost benefit does not make economical sense, especially if the court finds that the provision in the Client Manual shortening the stature of limitations is enforceable.

18. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: 04.17.2012 By:

Igor Romanov